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83^D CONGRESS
2^D SESSION

S. 3487

IN THE SENATE OF THE UNITED STATES

MAY 19 (legislative day, MAY 13), 1954

MR. AIKEN introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 37 of the Farm Credit Act of 1933, as amended
4 (title 12, U. S. C., 1134m), is hereby amended by substi-
5 tuting the word "paragraph" for the word "section" in the
6 next to the last sentence thereof and by adding thereto the
7 following new paragraph:

8 "When the Central Bank for Cooperatives and the re-
9 gional banks for cooperatives shall by resolutions consent
10 thereto, consolidated debentures of the thirteen banks for

1 cooperatives may be issued in the manner and form and
2 on terms and conditions approved by the Farm Credit Ad-
3 ministration. There shall be a debenture committee com-
4 prised of the presidents of the twelve regional banks for
5 cooperatives and the chief executive officer of the Central
6 Bank for Cooperatives which shall exercise with respect to
7 such consolidated debentures powers and functions equiva-
8 lent to the powers and functions of the Bond Committee of
9 the Federal Land Banks as authorized by the Federal Farm
10 Loan Act, as amended, and shall operate in accordance with
11 the provisions of law applicable to such Bond Committee
12 (title 12, U. S. C., 883-886). Such debentures shall be
13 made payable at any of the banks for cooperatives and may
14 be made payable at any Federal Reserve bank or banks
15 designated on the face of the debentures. Such debentures
16 shall be the joint and several obligations of the Central
17 Bank for Cooperatives and of the regional banks for coop-
18 eratives, and each of such banks is hereby authorized and
19 directed to take such action as is necessary to become
20 obligated for such debentures. The debentures shall be
21 secured by collateral which shall be at least equal in value
22 to the amount of debentures outstanding and which shall
23 consist of cash, direct obligations of the United States, or
24 notes or other obligations discounted or purchased or rep-
25 resenting loans made under sections 34 and 41, as amended

1 (title 12, U. S. C., 1134j, 1134c). The Farm Credit Ad-
2 ministration shall appoint a custodian or custodians of such
3 collateral who shall have power subject to such rules and
4 regulations as the Administration may prescribe to approve
5 and accept substitutions of collateral. The total amount of
6 such consolidated debentures plus any outstanding indi-
7 vidual debentures of the Central Bank which may be issued
8 and outstanding at any time shall not exceed eight times
9 the capital and surplus of the Central and regional banks
10 for cooperatives. The provisions of law made applicable
11 by the preceding paragraph to the preparation and issue
12 of debentures by the Central Bank for Cooperatives shall
13 govern the preparation and issue of debentures under this
14 paragraph and they shall be signed by the Governor of the
15 Farm Credit Administration and attested by any deputy
16 governor. Insofar as applicable, the provisions of the Federal
17 Farm Loan Act, as amended, relative to the call for additional
18 security and failure of any bank to pay its proportion of
19 interest or principal shall apply to the consolidated deben-
20 tures of the banks for cooperatives. Debentures issued under
21 the provisions of this Act by banks for cooperatives shall be a
22 lawful investment for all fiduciary and trust funds, and may
23 be accepted as security for all public deposits.”

24 SEC. 2. The last sentence of paragraph seventh of section
25 5136 of the Revised Statutes, as amended (title 12, U. S. C.,

A BILL

To authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes.

By Mr. AIKEN

MAY 19 (legislative day, May 13), 1954
Read twice and referred to the Committee on
Agriculture and Forestry

24) , is hereby amended by striking the words “Central Bank
for Cooperatives” and inserting in lieu thereof the following:
“thirteen banks for cooperatives organized under the Farm
Credit Act of 1933, or any of them”.

AUTHORIZING THE BANKS FOR COOPERATIVES TO ISSUE
CONSOLIDATED DEBENTURES

JUNE 3 (legislative day, MAY 13), 1954.—Ordered to be printed

Mr. AIKEN, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. 3487]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 3487) to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes, having considered same, report thereon with a recommendation that it do pass without amendment.

This bill would permit the Central Bank for Cooperatives and the regional banks for cooperatives to join together in the issuance of debentures in the same way that the Federal land banks and the Federal intermediate credit banks are now permitted to join. At present the Central Bank for Cooperatives is the only bank for cooperatives authorized to issue debentures. The total amount of consolidated debentures, plus individual debentures of the Central Bank, which might be outstanding at any time is limited to 8 times the combined capital and surplus of the 13 banks. The bill is proposed by the Farm Credit Administration as a step toward the retirement of Government capital by providing the banks with authority to issue more marketable securities. A fuller explanation of the bill is contained in the letter of the Governor of the Farm Credit Administration attached hereto as exhibit A.

EXHIBIT A

FARM CREDIT ADMINISTRATION,
Washington, D. C., May 13, 1954.

The honorable the PRESIDENT OF THE SENATE,
United States Senate.

DEAR MR. PRESIDENT: There is enclosed a proposed bill entitled "A bill to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes."

The objective of this bill is to improve the procedure under which the banks for cooperatives may obtain lending funds from commercial banks and the invest-

2 BANKS FOR COOPERATIVES TO ISSUE CONSOLIDATED DEBENTURES

ing public, by giving the banks for cooperatives substantially the same authorities with respect to debentures as apply to debentures of the Federal intermediate credit banks and bonds of the Federal land banks. This would be accomplished by giving the Central Bank for Cooperatives and the 12 regional banks for cooperatives the power to issue consolidated debentures that are the joint and several obligations of the Central and regional banks. These debentures would not be obligations of the United States and would not be guaranteed by the United States Government either as to principal or interest.

The Central Bank for Cooperatives under the present law now has power to issue debentures up to five times its paid-in capital and surplus. The 12 regional banks for cooperatives do not have power either to issue debentures on their own behalf or to assume any liability for the debentures issued by the Central Bank. For this reason, it is not possible to utilize the assets of the 13 banks in the system in an effective manner in order to realize the maximum efficiency in obtaining necessary lending funds from commercial sources and the investing public. The authority to issue consolidated debentures would make possible this objective and greatly facilitate the financing operations of the 13 banks, just as it has in the case of the Federal land banks and the Federal intermediate credit banks.

It is thought also that the establishment of a stable market for consolidated debentures of the banks for cooperatives would enable these banks to operate successfully with less capital funds than they now require and that accordingly the investment by the Government in their capital stock might be retired more expeditiously than would be the case under the present debenture-issuing authority of the Central Bank alone.

Under the wording of the proposed authority, each bank for cooperatives would be liable for all consolidated debentures, even though it might not share in the proceeds of a particular issue. However, in practice as between the banks, the banks sharing in the proceeds would be primarily liable. These debentures would be secured. The procedures for collateralizing the consolidated debentures would be similar to those applicable to the individual debentures of the Central Bank. The total amount of such debentures and individual debentures of the Central Bank which may be outstanding at any one time could not exceed 8 times the capital and surplus of the 13 banks for cooperatives.

A debenture committee, composed of the chief executive officers of the 13 banks, would be authorized to determine the terms and conditions of such debentures and the manner and form in which they are issued, subject to approval by the Governor of the Farm Credit Administration. The Governor would be authorized, also, to set up such safeguarding procedures and machinery for their issuance as he might deem advisable for the protection of the public and the cooperative banks.

The bill would also enable national banks and State member banks of the Federal Reserve System to receive compensation in the distribution of the consolidated debentures as is now the case as regards the individual debentures of the Central Bank for Cooperatives. Debentures of the banks for cooperatives also would be accorded the same status with respect to investment of fiduciary and trust funds under the jurisdiction of the United States and as security for public deposits as is presently accorded the farm loan bonds of Federal land banks under section 27 of the Federal Farm Loan Act. Section 303 of the Government Corporation Control Act, relating to securities issued by banks for cooperatives, would be applicable to the consolidated debentures of the banks which the bill would authorize.

The Farm Credit Administration recommends early consideration and enactment of the provisions included in the enclosed draft.

The Bureau of the Budget advises that there is no objection to the presentation of this proposal for the consideration of the Congress.

Sincerely yours,

R. B. TOOTELL, *Governor*

EXHIBIT B

FARM CREDIT ADMINISTRATION,
Washington, D. C., June 2, 1954.

HON. GEORGE D. AIKEN,

*Chairman, Committee on Agriculture and Forestry,
United States Senate.*

—DEAR SENATOR AIKEN: Please refer to our letter of May 13, 1954, addressed to the President of the Senate, in which the Farm Credit Administration recommended early consideration and enactment of a draft of bill subsequently intro-

duced by you and designated S. 3487, entitled "A bill to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes."

Inquiry has been made as to whether the statement in our letter of May 13 to the effect that the Farm Credit Administration recommends the proposed legislation includes the specific recommendation of the Federal Farm Credit Board. The purpose of this letter is to assure you that the Board has in fact approved this legislative proposal and that the statement in our letter of May 13 was intended to convey that information.

Sincerely yours,

R. B. TOOTELL, *Governor.*

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 37 OF THE FARM CREDIT ACT OF 1933

SEC. 37. The Central Bank is authorized to issue debentures, but the amount of debentures which may be outstanding may not exceed at any one time five times the paid-in capital and surplus of the bank. Such debentures shall be issued at such times and subject to such terms and conditions as the board of directors shall determine but shall bear such interest rates as may be fixed by the chairman of the board. Such debentures shall be secured by collateral which shall be at least equal in value to the amount of debentures outstanding and which shall consist of cash, direct obligations of the United States, or notes or other obligations discounted or purchased or representing loans made under section 34. The provisions of law applicable to the preparation and issue of Federal intermediate credit bank debentures shall, so far as applicable, govern the preparation and issue of debentures issued under this [section] paragraph. The governor shall appoint a custodian of such collateral who shall have power subject to such rules and regulations as the governor may prescribe to approve and accept substitutions of collateral.

When the Central Bank for Cooperatives and the regional banks for cooperatives shall by resolutions consent thereto, consolidated debentures of the thirteen banks for cooperatives may be issued in the manner and form and on terms and conditions approved by the Farm Credit Administration. There shall be a debenture committee comprised of the presidents of the twelve regional banks for cooperatives and the chief executive officer of the Central Bank for Cooperatives which shall exercise with respect to such consolidated debentures powers and functions equivalent to the powers and functions of the Bond Committee of the Federal Land Banks as authorized by the Federal Farm Loan Act, as amended, and shall operate in accordance with the provisions of law applicable to such Bond Committee (title 12, U. S. C., 883-886). Such debentures shall be made payable at any of the banks for cooperatives and may be made payable at any Federal Reserve bank or banks designated on the face of the debentures. Such debentures shall be the joint and several obligations of the Central Bank for Cooperatives and of the regional banks for cooperatives, and each of such banks is hereby authorized and directed to take such action as is necessary to become obligated for such debentures. The debentures shall be secured by collateral which shall be at least equal in value to the amount of debentures outstanding and which shall consist of cash, direct obligations of the United States, or notes or other obligations discounted or purchased or representing loans made under sections 34 and 41, as amended (title 12, U. S. C., 1134j, 1134e). The Farm Credit Administration shall appoint a custodian or custodians of such collateral who shall have power subject to such rules and regulations as the Administration may prescribe to approve and accept substitutions of collateral. The total amount of such consolidated debentures plus any outstanding individual debentures of the Central Bank which may be issued and outstanding at any time shall not exceed eight times the capital and surplus of the Central and regional banks for cooperatives. The provisions of law made applicable by the preceding paragraph to the preparation and issue of debentures by the Central Bank for Cooperatives shall govern the preparation and issue of debentures under this paragraph and they shall be signed by the Governor of the Farm Credit Administration and attested by any deputy governor. Insofar as applicable, the pro-

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visions of the Federal Farm Loan Act, as amended, relative to the call for additional security and failure of any bank to pay its proportion of interest or principal shall apply to the consolidated debentures of the banks for cooperatives. Debentures issued under the provisions of this Act by banks for cooperatives shall be a lawful investment for all fiduciary and trust funds, and may be accepted as security for all public deposits.

LAST SENTENCE OF PARAGRAPH 7 OF SECTION 5136 OF THE REVISED STATUTES,
AS AMENDED (12 U. S. C. 24)

The limitations and restrictions herein contained as to dealing in and underwriting investment securities shall not apply to obligations issued by the International Bank for Reconstruction and Development or the [Central Bank for Cooperatives] *thirteen banks for cooperatives organized under the Farm Credit Act of 1933, or any of them* which are at the time eligible for purchase by a national bank for its own account: *Provided*, That no association shall at any one time hold obligations issued by either of said banks as a result of underwriting, dealing, or purchasing for its own account (and for this purpose obligations as to which it is under commitment shall be deemed to be held by it) in a total amount, with respect to each issuer, exceeding 10 per centum of its capital stock actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund.



Calendar No. 1514

83^D CONGRESS
2^D SESSION

S. 3487

[Report No. 1498]

IN THE SENATE OF THE UNITED STATES

MAY 19 (legislative day, MAY 13), 1954

Mr. AIKEN introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

JUNE 3 (legislative day, MAY 13), 1954

Reported by Mr. AIKEN, without amendment

A BILL

To authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 37 of the Farm Credit Act of 1933, as amended
4 (title 12, U. S. C., 1134m), is hereby amended by substi-
5 tuting the word "paragraph" for the word "section" in the
6 next to the last sentence thereof and by adding thereto the
7 following new paragraph:

8 "When the Central Bank for Cooperatives and the re-
9 gional banks for cooperatives shall by resolutions consent
10 thereto, consolidated debentures of the thirteen banks for

1 cooperatives may be issued in the manner and form and
2 on terms and conditions approved by the Farm Credit Ad-
3 ministration. There shall be a debenture committee com-
4 prised of the presidents of the twelve regional banks for
5 cooperatives and the chief executive officer of the Central
6 Bank for Cooperatives which shall exercise with respect to
7 such consolidated debentures powers and functions equiva-
8 lent to the powers and functions of the Bond Committee of
9 the Federal Land Banks as authorized by the Federal Farm
10 Loan Act, as amended, and shall operate in accordance with
11 the provisions of law applicable to such Bond Committee
12 (title 12, U. S. C., 883-886). Such debentures shall be
13 made payable at any of the banks for cooperatives and may
14 be made payable at any Federal Reserve bank or banks
15 designated on the face of the debentures. Such debentures
16 shall be the joint and several obligations of the Central
17 Bank for Cooperatives and of the regional banks for coop-
18 eratives, and each of such banks is hereby authorized and
19 directed to take such action as is necessary to become
20 obligated for such debentures. The debentures shall be
21 secured by collateral which shall be at least equal in value
22 to the amount of debentures outstanding and which shall
23 consist of cash, direct obligations of the United States, or
24 notes or other obligations discounted or purchased or rep-
25 resenting loans made under sections 34 and 41, as amended

1 (title 12, U. S. C., 1134j, 1134c). The Farm Credit Ad-
2 ministration shall appoint a custodian or custodians of such
3 collateral who shall have power subject to such rules and
4 regulations as the Administration may prescribe to approve
5 and accept substitutions of collateral. The total amount of
6 such consolidated debentures plus any outstanding indi-
7 vidual debentures of the Central Bank which may be issued
8 and outstanding at any time shall not exceed eight times
9 the capital and surplus of the central and regional banks
10 for cooperatives. The provisions of law made applicable
11 by the preceding paragraph to the preparation and issue
12 of debentures by the Central Bank for Cooperatives shall
13 govern the preparation and issue of debentures under this
14 paragraph and they shall be signed by the Governor of the
15 Farm Credit Administration and attested by any deputy
16 governor. Insofar as applicable, the provisions of the Federal
17 Farm Loan Act, as amended, relative to the call for additional
18 security and failure of any bank to pay its proportion of
19 interest or principal shall apply to the consolidated deben-
20 tures of the banks for cooperatives. Debentures issued under
21 the provisions of this Act by banks for cooperatives shall be a
22 lawful investment for all fiduciary and trust funds, and may
23 be accepted as security for all public deposits.”

24 SEC. 2. The last sentence of paragraph Seven of section
25 5136 of the Revised Statutes, as amended (title 12, U. S. C.,

24), is hereby amended by striking the words "Central Bank
for Cooperatives" and inserting in lieu thereof the following:
"thirteen banks for cooperatives organized under the Farm
Credit Act of 1933, or any of them".

Calendar No. 1514

83d CONGRESS
2d Session

S. 3487

[Report No. 1498]

A BILL

To authorize the Central Bank for Cooperatives
and the regional banks for cooperatives to
issue consolidated debentures, and for other
purposes.

By Mr. AIKEN

MAY 19 (legislative day, MAY 13), 1954
Read twice and referred to the Committee on
Agriculture and Forestry

JUNE 3 (legislative day, MAY 13), 1954
Reported without amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 21, 1954
For actions of June 18, 1954
83rd-2nd, No. 113

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HIGHLIGHTS: Senate passed bills to extend Commodity Exchange Act to onions and coffee and to authorize banks for cooperatives to issue consolidated debentures. Senate committee reported watershed bill.

SENATE

1. COMMODITY EXCHANGES. Passed with amendments H. R. 6435, to amend the Commodity Exchange Act. As reported, the bill would extend the Act to onions. Agreed to a Gillette amendment to extend the Act to coffee also. (Sen. Gillette explained that the Senate had already passed a bill, S. 1386, for this purpose but that the House had taken no action upon it.) Also agreed to a committee amendment to make the bill effective 60 days after enactment. (p. 8053.)
2. FARM CREDIT. Passed with amendment S. 3487, to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures. Agreed to an amendment by Sen. Williams to prevent such loans from being made to increase broiler production. (pp. 8053-4.)
3. SOIL CONSERVATION. The Agriculture and Forestry Committee reported with amendment H. R. 6788, to authorize the Secretary of Agriculture to cooperate with States and local agencies in planning and carrying out works of improvement for soil conservation (S. Rept. 1620)(p. 8042).
4. TAXATION. The Finance Committee ordered reported H. R. 8300, the general tax revision bill (p. D704). The committee was authorized to report the bill during recess (p. 8042).
5. BANKING AND CURRENCY. The Banking and Currency Committee ordered reported (but did not actually report) S. 3589, to provide for independent management of the Export-Import Bank under a Board of Directors, to provide for representation of the Bank on the National Advisory Council on International Monetary and Financial Problems, and to increase the Bank's lending authority (p. D704).
6. WATER RESOURCES. Sen. McCarran referred to a new Cabinet Committee on Water Resources Policy, stated that he had previously introduced bills for such a purpose, and inserted material on this matter (pp. 8081-3).
7. PERSONNEL. Sen. Schoeppel commended Sen. Carlson and others for seeking to correct a "loophole" in the Civil Service Retirement Act (p. 8049).

8. RECESSED until Mon., June 21 (p. 8085). The trade agreements bill was made the unfinished business, and Sen. Knowland announced that, shortly thereafter, the Indian extension work bill will be considered (p. 8085).

ITEM IN APPENDIX

9. PRICE SUPPORTS. Rep. Sheehan inserted the results of an opinion poll of his district indicating support of the Administration's price-support program (pp. A4483-4).

COMMITTEE HEARINGS RELEASED BY GPO

10. PERSONNEL. Federal salaries and classifications. Vol. 1, statements of Postmaster General and staff. H. Post Office and Civil Service Committee.
11. FISHERY PRODUCTS. H. R. 4303, 5829, 7441, 7641, and 7671, to encourage the distribution of fishery products through earmarking of Sec. 32 funds. H. Merchant Marine and Fisheries Committee.

COMMITTEE HEARING ANNOUNCEMENTS FOR JUNE 21: Overall farm program proposals, H. and S. Agriculture (exec). Agricultural appropriation bill, conferees (exec).

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For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Room 105A.

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\$724,900, which indicates that there had been no payments on the mortgage.

The Federal Government now holds title to this property at a mortgage cost of \$723,900 plus whatever other charges accompany the foreclosure against this property. The reported cost to the builders was \$554,000.

On this same property, which is now in bankruptcy, the builders have distributed \$155,000 in dividends on their \$1,000 original investment.

NO. 2 WARWICK GARDENS, INC., WARWICK GARDENS NO. 2, INC., NEWPORT NEWS, VA.

The second project to which I wish to call attention is that of Warwick Gardens No. 2, Inc.

The Housing and Home Finance Agency lists Warwick Gardens 1 and 2 as having been built by Mr. Albert T. Brout, Mr. A. L. Drucker, and Mr. E. E. Falk, all of Newport News, Va.

On these two projects there was a total investment of paid-in capital stock of \$4,000—\$2,000 on each project. They secured loans of \$1,763,200 and \$3,788,400.

The construction cost in each case was lower than the mortgage loan, and the corporation had a windfall profit according to the report on the two projects of \$273,607, of which amount \$78,000 has been distributed.

This profit was made on a \$2,000 investment.

Warwick Gardens No. 2, Inc., against which the Housing and Home Finance Agency lists the windfall profits of \$222,900, was declared bankrupt, and on February 1, 1951, the Government took title to this project—mortgage No. FHA-51-42039.

The amount of the mortgage on the date the Government took the title to the property was listed as \$2,025,200. On December 10, 1951, the Government sold this property, Warwick Gardens No. 2, to Mr. Ben Cohen, 1229 Mount Royal Avenue, Baltimore, Md., for \$2,040,000; terms \$100,000 cash, mortgage \$1,940,000.

NO. 3 GREGORY ESTATES, SECTIONS 1, 2, 3, AND 4, SEAT PLEASANT, MD.

In this instance the mortgage loan was \$3,184,000 and the reported cost of the project \$3,176,500. The principals paid in \$800 as capital stock. The windfall profits in this case were relatively small as compared to the others totaling \$7,500.

However, it is mentioned in view of the fact that on March 17, 1954, all four of these projects were listed as being in the process of foreclosure.

INCLUSION OF ONIONS UNDER THE COMMODITY EXCHANGE ACT

The Senate resumed the consideration of the bill (H. R. 6435) to amend the Commodity Exchange Act.

The PRESIDING OFFICER. The clerk will state the amendment of the Committee on Agriculture and Forestry.

The LEGISLATIVE CLERK. After line 7, it is proposed to add a new section, as follows:

SEC. 2. This act shall take effect 60 days after the date of its enactment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. AIKEN. Mr. President, I simply wish to make a short explanation of the bill.

This bill would extend the Commodity Exchange Act to cover futures trading in onions. Onion futures trading has been perennially subject to wide price fluctuations and suggestions of market manipulation. The bill would not end price fluctuations but would permit investigation to determine what the facts are and prevent market manipulation.

The committee amendment would delay the effective date until 60 days after enactment to give the exchanges an opportunity to register.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GILLETTE. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Iowa.

The LEGISLATIVE CLERK. On page 1, after line 7, it is proposed to insert a new section 2, as follows:

SEC. 2. That section 2 (a) of the Commodity Exchange Act, as amended (7 U. S. C. 2), is amended by inserting "coffee" after the word "peanuts" in the third sentence thereof, so that coffee is added to the definition of the word "commodity" for purposes of said act.

Mr. GILLETTE. Mr. President, I shall take but a few moments in which to explain the purpose of the amendment.

It may be recalled that on February 10, 1954, the Senate passed unanimously a bill to bring coffee within the purview of the Commodity Exchange Act, so that the trading in coffee could be supervised. The bill was sent to the House, where it has reposed more or less peacefully since that time. I wish to read a short excerpt from a letter I addressed, under date of April 7, 1954, to Representative HOPE, chairman of the House Committee on Agriculture. The excerpt is as follows:

As you may recall a subcommittee of the Senate Committee on Agriculture and Forestry held painstaking investigations into coffee prices in 1949-50, and made a report recommending some dozen remedial legislative steps, including a recommendation that coffee be placed under the Commodity Exchange Act so that trading in futures on this commodity could be brought under supervision along with the other commodities covered by the Commodity Exchange Act.

The bill was passed by the Senate on February 10 and was messaged to the House. The House committee held public hearings on February 17, 18, and 23. Since that time no action has been taken.

In view of the unanimous action on the part of the Senate, I do not know the reasons why the bill has been stymied in the House, but it would be logical to assume that there were strong lobbyist activities.

I am offering the amendment so that coffee can be brought under the provisions of the Commodity Exchange Act. Because 60 percent of the coffee grown in the coffee-producing countries comes to the American market, and American coffee consumption is about 25 pounds per capita annually, a rise of 5 cents a pound in the price of coffee takes about a quarter of a billion dollars out of the pockets of the American taxpayers.

In the past few months, as everyone knows, the price of coffee has risen 30, 40, or 50 cents a pound; and it has been said by some American coffee handlers that it is expected that the price will go to \$1.50 a pound. Certainly there is good reason for supervision of the exchanges on which futures in coffee are traded. That was the purpose of the bill the Senate previously passed. My purpose now is to include it as an amendment to the onion bill, so that the amendment can go to conference and be considered there.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. GILLETTE].

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ISSUANCE OF CONSOLIDATED DEBENTURES

Mr. HENDRICKSON. Mr. President, I move that the Senate proceed to the consideration of Calendar 1514, Senate bill 3487, to authorize the Central Bank for Cooperatives and the regional bank for cooperatives to issue consolidated debentures, and for other purposes.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 3487) to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Jersey.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. AIKEN. Mr. President, Senate bill 3487, the pending business, would permit the Central Bank for Cooperatives and the regional banks for cooperatives to join together in the issuance of debentures in the same way that the Federal Land Banks and the Federal intermediate credit banks are now permitted to join. At present the Central Bank for Cooperatives is the only bank for cooperatives authorized to issue debentures. The total amount of consolidated debentures, plus individual debentures of the central bank, which might be outstanding at any time is limited to 8 times the combined capital and surpluses of the 13 banks. The bill is proposed by the Farm Credit Ad-

ministration as a step toward the retirement of Government capital by providing the banks with authority to issue more marketable securities.

The bill was proposed by the new Farm Credit Administration. It is its first recommendation to the Congress. There is no opposition to the bill from any source of which I am aware, and it was reported some time ago by the committee without opposing votes, although I think the Senator from Delaware [Mr. WILLIAMS] has an amendment.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. WILLIAMS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 4, after line 4, it is proposed to insert the following:

SEC. 3. Section 41 of the Farm Credit Act of 1933 (12 U. S. C. 1134c) is amended by adding at the end thereof the following: "Notwithstanding the foregoing or the provisions of section 34 or 38, no loan shall be made by any bank for cooperatives or by the Central Bank for Cooperatives for the purpose of financing the construction of broiler-growing facilities, the purchase of chicks, or the purchase of feed to be used primarily in the production of broilers. The said banks shall take reasonable precautions to avoid making loans which are likely to result in increased broiler production."

Mr. WILLIAMS. Mr. President, I do not think there is any objection to my amendment either by the chairman of the committee or by the heads of the banks themselves. My proposed amendment is in line with a previous amendment adopted sometime ago to an appropriation bill, the purpose of which was to prevent the use of any funds of a Government agency to encourage and to finance the expansion of the broiler industry at a time when the industry is already in a state of overexpansion.

I took the question up with the Department of Agriculture, and asked it to outline its existing policy. While I shall not read the entire letter, I wish to read from a memorandum attached to a letter written to me by Mr. J. D. Lawrence, director of Cooperative Bank Service, Farm Credit Administration. I shall now read the report on the Baltimore district. It sets forth the policy in that district, which I think will show that the amendment embodies a policy which is recognized by that agency as a sound one:

It should be stressed that these loans have not been used in any manner whatsoever for the production of broilers, either in the construction of broiler-growing facilities, or purchasing chicks or feed. They have been used solely in connection with processing and marketing. Furthermore, we have not made any loans to cooperatives engaged in the supply business where the proceeds of our loans were used for broiler contracts.

The amendment merely seeks to make sure that policy will be the uniform one throughout the country, so far as the particular banks are concerned. I understand, from talking with officials of the Farm Credit Administration, that they recognize that as a sound business principle.

Mr. AIKEN. Mr. President, in regard to the amendment offered by the Senator from Delaware, I should like to say that the Central Bank for Cooperatives was not established for the purpose of making production loans. Loans made by the bank have been to cooperatives engaged in processing, packaging, handling, distributing, and marketing. I personally know of no production loans which have been made by the bank, but I understand from the Senator from Delaware that there have been very limited loans, in the aggregate, made for that purpose.

We have no objection to the amendment, with the understanding that if it should develop that the provisions of the amendment offered by the Senator from Delaware would handicap the legitimate functions of the agency in any way, we reserve the right to straighten the situation out in conference with the House of Representatives, or have the House of Representatives do it.

Mr. WILLIAMS. I may say to the Senator from Vermont that I am in complete agreement with that understanding, because I have no intention of unduly restricting the agency from following what is recognized as being a sound policy.

Mr. AIKEN. I think the Senator from Delaware has a record of very few loans which have been made for production purposes. All told, such loans have amounted to less than \$100,000 out of a total of many millions of dollars, in the aggregate, which have been loaned.

Mr. WILLIAMS. As I understand from the report, the loans which have been extended by the agency for the particular purpose under discussion have been relatively small. Most of such loans were made by another agency, which situation was corrected.

Mr. AIKEN. Mr. President, with the understanding which I have stated, I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS].

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment, and third reading of the bill.

The bill (S. 3487) was ordered to be engrossed for a third reading, read the third time, and passed.

MODEL HOUSING BOARD OF PUERTO RICO

Mr. HENDRICKSON. Mr. President, I move that the Senate now proceed to the consideration of House bill 4030, which is Calendar No. 926.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Jersey.

Mr. HENDRICKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from New Jersey that the Senate proceed to the consideration of Calendar No. 926, House bill 4030, repealing section 4 of the act of March 2, 1934, creating the Model Housing Board of Puerto Rico.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4030) to repeal section 4 of the act of March 2, 1934, creating the Model Housing Board of Puerto Rico, which had been reported from the Committee on Interior and Insular Affairs with an amendment.

Mr. CORDON. Mr. President, this bill has been reported from the Committee on Interior and Insular Affairs. The purpose of the bill is to repeal section 4 of the act of March 2, 1934, which created the Model Housing Board of Puerto Rico. That Board has long since served its purpose. Since the Board was organized, the Commonwealth Government of the Island of Puerto Rico has been created, and the organization of that government is now substantially complete. So there would appear to be no reason to continue an organization of this type, at the expense of the people of the United States. The fund used for the Board came from Puerto Rican funds; but those funds, in turn, resulted from the action of the Government of the United States in permitting the people of Puerto Rico to retain all taxes levied in connection with exports, and also to retain various types of excise and internal-revenue taxes.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Oregon yield to me?

Mr. CORDON. I yield.

Mr. JOHNSTON of South Carolina. I think it will be found that the fund used for the purpose of this Board came from the liquor tax only.

Mr. CORDON. I was referring to the whole area of funds which the United States Government permitted Puerto Rico to retain. Which particular tax resulted in the creation of this particular fund, I do not know.

Mr. JOHNSTON of South Carolina. It was only that one.

Mr. CORDON. At any rate, Mr. President, the enactment of this measure will result in dissolving the Board, and thus the Government of Puerto Rico will be enabled to take care of the situation itself.

I believe the provisions of the bill are sound.

Mr. JOHNSTON of South Carolina. Mr. President, I was the one who objected to the bill during the call of the calendar; but since then I have studied the matter further. I find that when Congress passed the act in March 1934, there was necessity for it, inasmuch as Puerto Rico was very short of housing at that time, and all kinds of houses were being erected, and in many cases there was a complete failure to provide sanitary facilities. For that reason, we established this Model Housing Board.

As the Senator from Oregon has said, inasmuch as Puerto Rico has, since then,

83^D CONGRESS
2^D SESSION

S. 3487

IN THE HOUSE OF REPRESENTATIVES

JUNE 21, 1954

Referred to the Committee on Agriculture

AN ACT

To authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 37 of the Farm Credit Act of 1933, as amended
4 (title 12, U. S. C., 1134m), is hereby amended by substi-
5 tuting the word "paragraph" for the word "section" in the
6 next to the last sentence thereof and by adding thereto the
7 following new paragraph:

8 "When the Central Bank for Cooperatives and the re-
9 gional banks for cooperatives shall by resolutions consent
10 thereto, consolidated debentures of the thirteen banks for

1 cooperatives may be issued in the manner and form and
2 on terms and conditions approved by the Farm Credit Ad-
3 ministration. There shall be a debenture committee com-
4 prised of the presidents of the twelve regional banks for
5 cooperatives and the chief executive officer of the Central
6 Bank for Cooperatives which shall exercise with respect to
7 such consolidated debentures powers and functions equiva-
8 lent to the powers and functions of the Bond Committee of
9 the Federal Land Banks as authorized by the Federal Farm
10 Loan Act, as amended, and shall operate in accordance with
11 the provisions of law applicable to such Bond Committee
12 (title 12, U. S. C., 883-886). Such debentures shall be
13 made payable at any of the banks for cooperatives and may
14 be made payable at any Federal Reserve bank or banks
15 designated on the face of the debentures. Such debentures
16 shall be the joint and several obligations of the Central
17 Bank for Cooperatives and of the regional banks for coop-
18 eratives, and each of such banks is hereby authorized and
19 directed to take such action as is necessary to become
20 obligated for such debentures. The debentures shall be
21 secured by collateral which shall be at least equal in value
22 to the amount of debentures outstanding and which shall
23 consist of cash, direct obligations of the United States, or
24 notes or other obligations discounted or purchased or rep-
25 resenting loans made under sections 34 and 41, as amended

1 (title 12, U. S. C., 1134j, 1134c). The Farm Credit Ad-
2 ministration shall appoint a custodian or custodians of such
3 collateral who shall have power subject to such rules and
4 regulations as the Administration may prescribe to approve
5 and accept substitutions of collateral. The total amount of
6 such consolidated debentures plus any outstanding indi-
7 vidual debentures of the Central Bank which may be issued
8 and outstanding at any time shall not exceed eight times
9 the capital and surplus of the central and regional banks
10 for cooperatives. The provisions of law made applicable
11 by the preceding paragraph to the preparation and issue
12 of debentures by the Central Bank for Cooperatives shall
13 govern the preparation and issue of debentures under this
14 paragraph and they shall be signed by the Governor of the
15 Farm Credit Administration and attested by any deputy
16 governor. Insofar as applicable, the provisions of the Federal
17 Farm Loan Act, as amended, relative to the call for additional
18 security and failure of any bank to pay its proportion of
19 interest or principal shall apply to the consolidated deben-
20 tures of the banks for cooperatives. Debentures issued under
21 the provisions of this Act by banks for cooperatives shall be a
22 lawful investment for all fiduciary and trust funds, and may
23 be accepted as security for all public deposits.”

24 SEC. 2. The last sentence of paragraph Seven of section
25 5136 of the Revised Statutes, as amended (title 12, U. S. C.,

1 24), is hereby amended by striking the words “Central Bank
2 for Cooperatives” and inserting in lieu thereof the following:
3 “thirteen banks for cooperatives organized under the Farm
4 Credit Act of 1933, or any of them”.

5 SEC. 3. Section 41 of the Farm Credit Act of 1933
6 (12 U. S. C. 1134c) is amended by adding at the end
7 thereof the following: “Notwithstanding the foregoing or the
8 provisions of section 34 or 38, no loan shall be made by any
9 bank for cooperatives or by the Central Bank for Coopera-
10 tives for the purpose of financing the construction of broiler-
11 growing facilities, the purchase of chicks, or the purchase of
12 feed to be used primarily in the production of broilers. The
13 said banks shall take reasonable precautions to avoid making
14 loans which are likely to result in increased broiler produc-
15 tion.”

Passed the Senate June 18 (legislative day, June 11),
1954.

Attest:

J. MARK TRICE,

Secretary.

AN ACT

To authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes.

JUNE 21, 1954

Referred to the Committee on Agriculture

AUTHORIZING THE BANKS FOR COOPERATIVES TO ISSUE CONSOLIDATED DEBENTURES

JULY 8, 1954.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. HOPE, from the Committee on Agriculture, submitted the
following

R E P O R T

[To accompany S. 3487]

The Committee on Agriculture, to whom was referred the bill (S. 3487) to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Page 3, line 9, change the word "central" to "Central".

Page 4, lines 5 to 15 inclusive, strike out all of section 3.

STATEMENT

This bill authorizes the issuance and sale of consolidated debentures of the 12 regional banks for cooperatives and the Central Bank for Cooperatives. The debentures would be the joint and several obligations of the 13 banks. The debentures would be secured by the pledge of collateral consisting mainly of obligations taken by the banks in connection with their loans to farmers' cooperative associations. They would in no way be obligations of the United States Government.

The primary objectives of this bill are:

1. To improve the procedure under which the banks for cooperatives may obtain lending funds from commercial banks and the investing public, by giving the banks for cooperatives substantially the same authorities with respect to debentures as apply to debentures of the Federal intermediate credit banks and bonds of the Federal land banks.

2. To expedite the retirement of the Government's investment in the capital stock of the banks for cooperatives, as an integral part of

the proposals now being shaped by the Federal Farm Credit Board for the ultimate complete ownership of these banks by the farmers' cooperative associations which use them.

The banks make loans only to farmers' cooperative associations for such purposes as (1) assisting qualified farmers' cooperative associations in financing necessary facilities, (2) providing operating capital and (3) commodity loans to finance the marketing of agricultural products.

The cooperative associations receiving loans must be engaged in processing or marketing agricultural products or in furnishing farm supplies and farm business services to farmers. The banks do not make loans directly to farmers or loans for the purpose of producing agricultural commodities.

The value of these specialized federally chartered institutions is demonstrated by the extent to which they have been used by farmers' cooperative associations. From 1933, when the banks for cooperatives were established, through March 31, 1954, the 13 banks made \$6,024,922,838 of loans to 4,754 qualified cooperative associations. At the end of March, \$348,501,411 was outstanding in loans to 2,018 associations.

Aggregate earnings of the banks as of April 30, 1954, for the entire period of operations, amounted to \$79,266,046. They are expected to pay to the United States a substantial franchise tax for the fiscal year ending June 30, 1954.

Originally, the amount of capital in the banks subscribed by the United States amounted to \$110 million. Borrowers from the banks also purchase stock in amounts related to the size of the loan. As of June 1954 the capital stock in the banks held by the United States amounted to \$150 million. On April 30, 1954, farmers' cooperative associations held \$18,659,200 of capital investment in the banks.

The present principal sources of the funds loaned by the banks are (1) the capital stock held by the United States; (2) capital stock purchased by borrowers in connection with their loans; (3) surplus and reserves earned by the banks; (4) borrowings from Federal intermediate credit banks; (5) borrowings from commercial banks; and (6) the issuance and sale of individual debentures of the Central Bank.

The Central Bank for Cooperatives is a specialized credit institution within the highly specialized system of banks for cooperatives. It is designed primarily to assist in financing the larger farmers' cooperative associations which operate over extensive areas and to assist in financing other cooperatives which need larger loans than a regional bank may make. Instead of lending directly in these large loan cases, the Central Bank participates in such loans made by regional banks.

Presently, only the Central Bank has authority to issue debentures. While the Central Bank debentures have been well received by investors, it is obvious that consolidated debentures of the 13 banks as proposed in this bill would be more attractive, as the strength of the entire system would be behind every debenture. Therefore, the financial strength of these banks and their ability in providing the specialized credit service would be greatly increased.

The committee has stricken section 3 from S. 3487. The effect of this section would be to prohibit the banks from making loans to cooperative associations for the purpose of financing the construction

of broiler-growing facilities, the purchase of chicks, or the purchase of feed to be used primarily in the production of broilers.

An official of the Farm Credit Administration told the committee that section 3, if adopted, would permanently curtail the credit facilities of the banks for cooperatives system to many farmers' cooperative associations and deny to an important segment of agriculture the normal credit facilities of the banks for cooperatives.

Section 3 is primarily a production-control measure and the banks for cooperatives are not equipped to enforce production controls. In any event the effect the operations of the banks for cooperatives might have on the increase or reduction of production of broilers is remote. Moreover, there is no way a cooperative could prove that no part of the money it borrowed from the banks found its way into broiler production. Section 3, if passed, would impose a continuing responsibility on the banks for cooperatives which as a practical matter they could not discharge effectively.

A discussion of the bill is contained in the letter of the Governor of the Farm Credit Administration attached hereto.

FARM CREDIT ADMINISTRATION,
Washington, D. C., May 13, 1954.

The honorable the SPEAKER, HOUSE OF REPRESENTATIVES.

DEAR MR. SPEAKER: There is enclosed a proposed bill entitled "A bill to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes."

The objective of this bill is to improve the procedure under which the banks for cooperatives may obtain lending funds from commercial banks and the investing public, by giving the banks for cooperatives substantially the same authorities with respect to debentures as apply to debentures of the Federal intermediate credit banks and bonds of the Federal land banks. This would be accomplished by giving the Central Bank for Cooperatives and the 12 regional banks for cooperatives the power to issue consolidated debentures that are the joint and several obligations of the Central and regional banks. These debentures would not be obligations of the United States and would not be guaranteed by the United States Government either as to principal or interest.

The Central Bank for Cooperatives under the present law now has power to issue debentures up to five times its paid-in capital and surplus. The 12 regional banks for cooperatives do not have power either to issue debentures on their own behalf or to assume any liability for the debentures issued by the Central Bank. For this reason, it is not possible to utilize the assets of the 13 banks in the system in an effective manner in order to realize the maximum efficiency in obtaining necessary lending funds from commercial sources and the investing public. The authority to issue consolidated debentures would make possible this objective and greatly facilitate the financing operations of the 13 banks, just as it has in the case of the Federal land banks and the Federal intermediate credit banks.

It is thought also that the establishment of a stable market for consolidated debentures of the banks for cooperatives would enable these banks to operate successfully with less capital funds than they now require and that accordingly the investment by the Government in their capital stock might be retired more expeditiously than would be the case under the present debenture-issuing authority of the Central Bank alone.

Under the wording of the proposed authority, each bank for cooperatives would be liable for all consolidated debentures, even though it might not share in the proceeds of a particular issue. However, in practice as between the banks, the banks sharing in the proceeds would be primarily liable. These debentures would be secured. The procedures for collateralizing the consolidated debentures would be similar to those applicable to the individual debentures of the Central Bank. The total amount of such debentures and individual debentures of the Central Bank which may be outstanding at any one time could not exceed 8 times the capital and surplus of the 13 banks for cooperatives.

A debenture committee, composed of the chief executive officers of the 13 banks, would be authorized to determine the terms and conditions of such debentures and the manner and form in which they are issued, subject to approval by the

4 BANKS FOR COOPERATIVES TO ISSUE CONSOLIDATED DEBENTURES

Governor of the Farm Credit Administration. The Governor would be authorized, also, to set up such safeguarding procedures and machinery for their issuance as he might deem advisable for the protection of the public and the cooperative banks.

The bill would also enable national banks and State member banks of the Federal Reserve System to receive compensation in the distribution of the consolidated debentures as is now the case as regards the individual debentures of the Central Bank for Cooperatives. Debentures of the banks for cooperatives also would be accorded the same status with respect to investment of fiduciary and trust funds under the jurisdiction of the United States and as security for public deposits as is presently accorded the farm loan bonds of Federal land banks under section 27 of the Federal Farm Loan Act. Section 303 of the Government Corporation Control Act, relating to securities issued by banks for cooperatives, would be applicable to the consolidated debentures of the banks which the bill would authorize.

The Farm Credit Administration recommends early consideration and enactment of the provisions included in the enclosed draft.

The Bureau of the Budget advises that there is no objection to the presentation of this proposal for the consideration of the Congress.

Sincerely yours,

R. B. TOOTELL, Governor.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the House of Representatives, changes made in existing law by this bill are as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

THE FARM CREDIT ACT OF 1933

* * * * *

SEC. 37. The Central Bank is authorized to issue debentures, but the amount of debentures which may be outstanding may not exceed at any one time five times the paid-in capital and surplus of the bank. Such debentures shall be issued at such times and subject to such terms and conditions as the board of directors shall determine but shall bear such interest rates as may be fixed by the chairman of the board. Such debentures shall be secured by collateral which shall be at least equal in value to the amount of debentures outstanding and which shall consist of cash, direct obligations of the United States, or notes or other obligations discounted or purchased or representing loans made under section 34. The provisions of law applicable to the preparation and issue of Federal intermediate credit bank debentures shall, so far as applicable, govern the preparation and issue of debentures issued under this [section] paragraph. The governor shall appoint a custodian of such collateral who shall have power subject to such rules and regulations as the governor may prescribe to approve and accept substitutions of collateral.

When the Central Bank for Cooperatives and the regional banks for cooperatives shall by resolutions consent thereto, consolidated debentures of the thirteen banks for cooperatives may be issued in the manner and form and on terms and conditions approved by the Farm Credit Administration. There shall be a debenture committee comprised of the presidents of the twelve regional banks for cooperatives and the chief executive officer of the Central Bank for Cooperatives which shall exercise with respect to such consolidated debentures powers and functions equivalent to the powers and functions of the Bond Committee of the Federal Land Banks as authorized by the Federal Farm Loan Act, as amended, and shall operate in accordance with the provisions of law applicable to such Bond Committee (title 12, U. S. C., 883-886). Such debentures shall be made payable at any of the banks for cooperatives and may be made payable at any Federal Reserve bank or banks designated on the face of the debentures. Such debentures shall be the joint and several obligations of the Central Bank for Cooperatives and of the regional banks for cooperatives, and each of such banks is hereby authorized and directed to take such action as is necessary to become obligated for such debentures. The debentures shall be secured by collateral which shall be at least equal in value to the amount of debentures outstanding and which

shall consist of cash, direct obligations of the United States, or notes or other obligations discounted or purchased or representing loans made under sections 34 and 41, as amended (title 12 U. S. C., 1134j, 1134c). The Farm Credit Administration shall appoint a custodian or custodians of such collateral who shall have power subject to such rules and regulations as the Administration may prescribe to approve and accept substitutions of collateral. The total amount of such consolidated debentures plus any outstanding individual debentures of the Central Bank which may be issued and outstanding at any time shall not exceed eight times the capital and surplus of the Central and regional banks for cooperatives. The provisions of law made applicable by the preceding paragraph to the preparation and issue of debentures by the Central Bank for Cooperatives shall govern the preparation and issue of debentures under this paragraph and they shall be signed by the Governor of the Farm Credit Administration and attested by any deputy governor. Insofar as applicable, the provisions of the Federal Farm Loan Act, as amended, relative to the call for additional security and failure of any bank to pay its proportion of interest or principal shall apply to the consolidated debentures of the banks for cooperatives. Debentures issued under the provisions of this Act by banks for cooperatives shall be a lawful investment for all fiduciary and trust funds, and may be accepted as security for all public deposits.

LAST SENTENCE OF PARAGRAPH 7 OF SECTION 5136 OF THE REVISED STATUTES,
AS AMENDED (12 U. S. C. 24)

The limitations and restrictions herein contained as to dealing in and underwriting investment securities shall not apply to obligations issued by the International Bank for Reconstruction and Development or the [Central Bank for Cooperatives] thirteen banks for cooperatives organized under the Farm Credit Act of 1933, or any of them which are at the time eligible for purchase by a national bank for its own account: *Provided*, That no association shall at any one time hold obligations issued by either of said banks as a result of underwriting, dealing, or purchasing for its own account (and for this purpose obligations as to which it is under commitment shall be deemed to be held by it) in a total amount, with respect to each issuer, exceeding 10 per centum of its capital stock actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund.



83^D CONGRESS
2^D SESSION

S. 3487

[Report No. 2101]

IN THE HOUSE OF REPRESENTATIVES

JUNE 21, 1954

Referred to the Committee on Agriculture

JULY 8, 1954

Reported with amendments, committed to the Committee of the Whole House
on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

AN ACT

To authorize the Central Bank for Cooperatives and the regional
banks for cooperatives to issue consolidated debentures, and
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 37 of the Farm Credit Act of 1933, as amended
4 (title 12, U. S. C. 1134m), is hereby amended by substi-
5 tuting the word "paragraph" for the word "section" in the
6 next to the last sentence thereof and by adding thereto the
7 following new paragraph:

8 "When the Central Bank for Cooperatives and the re-
9 gional banks for cooperatives shall by resolutions consent
10 thereto, consolidated debentures of the thirteen banks for

1 cooperatives may be issued in the manner and form and
2 on terms and conditions approved by the Farm Credit Ad-
3 ministration. There shall be a debenture committee com-
4 prised of the presidents of the twelve regional banks for
5 cooperatives and the chief executive officer of the Central
6 Bank for Cooperatives which shall exercise with respect to
7 such consolidated debentures powers and functions equiva-
8 lent to the powers and functions of the Bond Committee of
9 the Federal Land Banks as authorized by the Federal Farm
10 Loan Act, as amended, and shall operate in accordance with
11 the provisions of law applicable to such Bond Committee
12 (title 12, U. S. C., 883-886). Such debentures shall be
13 made payable at any of the banks for cooperatives and may
14 be made payable at any Federal Reserve bank or banks
15 designated on the face of the debentures. Such debentures
16 shall be the joint and several obligations of the Central
17 Bank for Cooperatives and of the regional banks for coop-
18 eratives, and each of such banks is hereby authorized and
19 directed to take such action as is necessary to become
20 obligated for such debentures. The debentures shall be
21 secured by collateral which shall be at least equal in value
22 to the amount of debentures outstanding and which shall
23 consist of cash, direct obligations of the United States, or
24 notes or other obligations discounted or purchased or rep-
25 resenting loans made under sections 34 and 41, as amended

(title 12, U. S. C., 1134j, 1134c). The Farm Credit Administration shall appoint a custodian or custodians of such collateral who shall have power subject to such rules and regulations as the Administration may prescribe to approve and accept substitutions of collateral. The total amount of such consolidated debentures plus any outstanding individual debentures of the Central Bank which may be issued and outstanding at any time shall not exceed eight times the capital and surplus of the ~~central~~ *Central* and regional banks for cooperatives. The provisions of law made applicable by the preceding paragraph to the preparation and issue of debentures by the Central Bank for Cooperatives shall govern the preparation and issue of debentures under this paragraph and they shall be signed by the Governor of the Farm Credit Administration and attested by any deputy governor. Insofar as applicable, the provisions of the Federal Farm Loan Act, as amended, relative to the call for additional security and failure of any bank to pay its proportion of interest or principal shall apply to the consolidated debentures of the banks for cooperatives. Debentures issued under the provisions of this Act by banks for cooperatives shall be a lawful investment for all fiduciary and trust funds, and may be accepted as security for all public deposits."

SEC. 2. The last sentence of paragraph Seven of section 5136 of the Revised Statutes, as amended (title 12, U. S. C.,

1 24), is hereby amended by striking the words "Central Bank
2 for Cooperatives" and inserting in lieu thereof the following:
3 "thirteen banks for cooperatives organized under the Farm
4 Credit Act of 1933, or any of them".

5 SEC. 3. Section 41 of the Farm Credit Act of 1933
6 ~~(12 U. S. C. 1134e)~~ is amended by adding at the end
7 thereof the following: "Notwithstanding the foregoing or the
8 provisions of section 34 or 38, no loan shall be made by any
9 bank for cooperatives or by the Central Bank for Coopera-
10 tives for the purpose of financing the construction of broiler-
11 growing facilities, the purchase of chicks, or the purchase of
12 feed to be used primarily in the production of broilers. The
13 said banks shall take reasonable precautions to avoid making
14 loans which are likely to result in increased broiler produc-
15 tion."

Passed the Senate June 18 (legislative day, June 11),
1954.

Attest:

J. MARK TRICE,

Secretary.

83d CONGRESS
2d Session

S. 3487

[Report No. 2101]

AN ACT

To authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes.

JUNE 21, 1954

Referred to the Committee on Agriculture

JULY 8, 1954

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

19. FORESTRY. Passed without amendment S. 2786, consenting to the Southeastern Interstate Forest Fire Protection Compact (pp. 10314-5). This bill will now be sent to the President.
Passed without amendment H. R. 6393, consenting to a South Central Interstate Forest Fire Protection Compact (pp. 10315-6).
Passed without amendment H. R. 7912, to abolish the Old Kasaan National Monument, Alaska, and return the land to national forest status (p. 10318).
20. FARM LOANS. Passed as reported S. 3487, to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures (p. 10321).
Passed as reported H. R. 7568, to direct the Farm Loan Board of Hawaii to convey certain land and to ratify and confirm certain contracts (p. 10318).
21. CCC BORROWING POWER. The Banking and Currency Committee reported without amendment H. R. 9756, to increase the CCC borrowing power by \$1½ billion (H. Rept. 2269)(p. 10413). The Rules Committee reported a resolution for consideration of this bill (p. 10414).
22. WATER FACILITIES LOANS. The Agriculture Committee reported with amendment S. 3137, to amend the Water Facilities Act (H. Rept. 2290)(p. 10414). For provisions of this bill see Digest 130.
23. PERFORMANCE RATINGS. The Post Office and Civil Service Committee reported on its study of performance ratings for Federal employees (H. Rept. 2277)(p. 10413).
24. RECLAMATION. Received the conference report on H. R. 4854, to authorize the Foster Creek division of Chief Joseph Dam project, Wash. (H. Rept. 2274) (p. 10306).
Concurred in the Senate amendment to H. R. 6786, authorizing Interior to purchase improvements or pay damages for removal of improvements located on U. S. public lands in the Palisades project area (p. 10307). This bill will now be sent to the President.
Rep. Hosmer spoke against certain bills which would authorize the Secretary of the Interior to construct and operate the Colorado River storage project (pp. 10325-6).
25. DROUGHT RELIEF. Rep. Edmondson urged immediate relief for drought stricken areas (pp. 10326-7).
26. MINERALS; PUBLIC LANDS. Passed with amendment S. 3344, to amend the mineral leasing laws to provide for multiple mineral development of the same tracts of the public lands (pp. 10342-355).
27. VOCATIONAL REHABILITATION. Received the conference report on S. 2759, to promote and assist in the extension and improvement of vocational rehabilitation services (H. Rept. 2286) (pp. 10386-92).
28. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported without amendment H. R. 6310, to exempt from regulation by the CAB, operations in the transportation of livestock, fish, floricultural, and horticultural commodities (H. Rept. 2281) (p. 10413).

29. EXPORT-IMPORT BANK. The Banking and Currency Committee reported without amendment S. 3589, to provide for the independent management of the Export-Import Bank under a Board of Directors, to provide for representation of the bank on the National Advisory Council on International Monetary and Financial Problems, and to increase the bank's lending authority (H. Rept. 2270) (p. 10413). The Rules Committee reported a resolution for consideration of this bill (p. 10414).
30. VETERANS' BENEFITS. The Veterans' Affairs Committee reported with amendment H. R. 9888, to amend the laws granting education and training benefits to certain veterans to extend the period during which such benefits may be offered (H. Rept. 2279) (p. 10413).
31. FLOOD CONTROL. The Rules Committee reported a resolution for the consideration of H. R. 9859, the omnibus flood control bill (p. 10414).
32. EDUCATION. Received conference report on H. R. 9040, to authorize cooperative research in education (H. Rept. 2287) and H. R. 7434, to establish a National Advisory Committee on Education (H. Rept. 2289) (pp. 10392-3).

SENATE (cont'd)

33. APPROPRIATIONS. S. Doc. 140 (July 14) is a supplemental appropriation estimate for the Health, Education, and Welfare Department including the following items: Food and Drug Administration, a provision whereby collection of inspection fees with respect to residues of pesticide chemicals in or on raw agricultural commodities would make the services provided largely self-supporting; Office of Vocational Rehabilitation, \$6,000,000 for grants to States, \$1,831,000 for training of personnel, and \$400,000 for administrative expenses for an immediate expansion of the vocational rehabilitation program; Social Security Administration, increase in trust fund limitation from \$64,400,000 to \$79,000,000 to meet the increased workload which will result from expansion of the old-age and survivors insurance program; Federal Health Reinsurance Service, \$25,000,000 for making payments to the capital-advance fund to be established for advances to the Health Service Prepayment Plan Reinsurance Fund, and \$325,000 for expenses for handling the administration of the Federal Health Reinsurance Service and for technical, advisory, and information services to carriers and other sponsors of health service prepayment plans, and to the general public. The Bureau of the Budget letter states, "It is proposed to establish the Federal Health Reinsurance Service as a separate constituent organization of the Department of Health, Education and Welfare. This Service will consist of a Director's office, a Bureau of Health Reinsurance, and Bureau of Technical and Advisory Service."

S. Doc. 137 (July 14) is a supplemental appropriation estimate for the Labor Department and includes the following items: Bureau of Employment Security, \$25,000,000 for unemployment compensation payments to Federal employees, \$3,756,000 for grants to States for unemployment compensation and employment service administration, and \$300,000 for salaries and expenses to enable the performance of Federal administrative duties.

S. Doc. 135 (July 13) is a supplemental appropriation estimate for the Interior Department and includes the following items: Bureau of Reclamation, \$875,000 to carry out general investigations work on selected reclamation projects, and \$5,963,000 to permit the initiation of construction work on 3 new projects (including the Glendo unit, Wyo.) and additional work on 4 going projects.

formed Services Contingency Option Act of 1953.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert in lieu thereof the following:

"That retired members of the uniformed services who have elected under section 3 (b) of the Uniformed Services Contingency Option Act of 1953 (Public Law 239, 83d Cong.) to receive a reduced amount of retired pay in order to provide an annuity under such public law may, within 60 days after the date of enactment of this act, revoke such elections. A retired member may revoke an election under this act only if he can establish to the satisfaction of the Secretary concerned that he made such election because he was misinformed as to his rights under the Uniformed Services Contingency Option Act of 1953 or because he made a substantial mathematical error in computing the cost of the benefits which he would derive under that act and that such information or error has resulted in undue hardship. The Secretary concerned may revoke an election made by him on behalf of a mentally incompetent member when it is established to his satisfaction that such election has resulted in undue hardship. A retired member whose election is revoked under this act shall have refunded to him a sum which represents the difference between the amount by which his retired pay has been reduced in accordance with his election and the cost of an amount of term insurance which is equal to the protection provided his dependents during the period his election was in effect. A retired member whose election is revoked under this act shall not thereafter be permitted to be covered in any way under the Uniformed Services Contingency Option Act of 1953.

"SEC. 2. Terms used in this act shall have the meaning assigned to them by the Uniformed Services Contingency Option Act of 1953.

"SEC. 3. Payments of the refunds authorized by this act may be made from appropriate current appropriations."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR THE CONVEYANCE OF CERTAIN LANDS TO THE CITY OF MUSKOGEE, OKLA.

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8983) to provide for the conveyance of certain lands by the United States to the city of Muskogee, Okla., with an amendment of the Senate thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 18, strike out "bill" and insert "act."

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

AUTHORIZING CENTRAL BANK FOR COOPERATIVES TO ISSUE CONSOLIDATED DEBENTURES

Mr. HOPE. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Consent Calendar No. 467, the bill (S. 3487) to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, and I shall not object, the distinguished chairman of the House Committee on Agriculture conferred with me after I had asked that the bill be passed over without prejudice, and also the distinguished gentleman from Wisconsin [Mr. JOHNSON]. I am for the bill, but I felt, as I said in my colloquy earlier, that because of its importance it should be considered under the regular rules of the House and not by unanimous consent. But I realize we are getting to the close of the session, and if that happens, I realize there is a reasonable probability that it might get tied up in the last minute legislative rush, and not be passed. Due to the persuasiveness of the distinguished chairman of the House Committee on Agriculture and the gentleman from Wisconsin [Mr. JOHNSON], and recognizing the practical situation myself as a result of my years of experience in this legislative body, I will be glad to see the House take such action on the bill that it will be passed today.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 37 of the Farm Credit Act of 1933, as amended (title 12, U. S. C. 1134m), is hereby amended by substituting the word "paragraph" for the word "section" in the next to the last sentence thereof and by adding thereto the following new paragraph:

"When the Central Bank for Cooperatives and the regional banks for cooperatives shall by resolutions consent thereto, consolidated debentures of the 13 banks for cooperatives may be issued in the manner and form and on terms and conditions approved by the Farm Credit Administration. There shall be a debenture committee comprised of the presidents of the 12 regional banks for cooperatives and the chief executive officer of the Central Bank for Cooperatives which shall exercise with respect to such consolidated debentures powers and functions equivalent to the powers and functions of the Bond Committee of the Federal Land Banks as authorized by the Federal Farm Loan Act, as amended, and shall operate in accordance with the provisions of law applicable to such Bond Committee (title 12, U. S. C., 883-886). Such debentures shall be made payable at any of the banks for cooperatives and may be made payable at any Federal Reserve bank or banks designated on the fact of the debentures. Such debentures shall be the joint and several obligations of the Central Bank

for Cooperatives and of the regional banks for cooperatives, and each of such banks is hereby authorized and directed to take such action as is necessary to become obligated for such debentures. The debentures shall be secured by collateral which shall be at least equal in value to the amount of debentures outstanding and which shall consist of cash, direct obligations of the United States, or notes or other obligations discounted or purchased or representing loans made under section 34 and 41, as amended (title 12, U. S. C., 1134j, 1134c). The Farm Credit Administration shall appoint a custodian or custodians of such collateral who shall have power subject to such rules and regulations as the administration may prescribe to approve and accept substitutions of collateral. The total amount of such consolidated debentures plus any outstanding individual debentures of the Central Bank which may be issued and outstanding at any time shall not exceed 8 times the capital and surplus of the central and regional banks for cooperatives. The provisions of law made applicable by the preceding paragraph to the preparation and issue of debentures by the Central Bank for Cooperatives shall govern the preparation and issue of debentures under this paragraph and they shall be signed by the Governor of the Farm Credit Administration and attested by any deputy governor. Insofar as applicable, the provisions of the Federal Farm Loan Act, as amended, relative to the call for additional security and failure of any bank to pay its proportion of interest or principal shall apply to the consolidated debentures of the banks for cooperatives. Debentures issued under the provisions of this act by banks for cooperatives shall be a lawful investment for all fiduciary and trust funds, and may be accepted as security for all public deposits."

SEC. 2. The last sentence of paragraph 7 of section 5136 of the Revised Statutes, as amended (title 12, U. S. C., 24), is hereby amended by striking the words "Central Bank for Cooperatives" and inserting in lieu thereof the following: "thirteen banks for cooperatives organized under the Farm Credit Act of 1933, or any of them."

SEC. 3. Section 41 of the Farm Credit Act of 1933 (12 U. S. C. 1134c) is amended by adding at the end thereof the following: "Notwithstanding the foregoing or the provisions of section 34 or 38, no loan shall be made by any bank for cooperatives or by the Central Bank for Cooperatives for the purpose of financing the construction of broiler-growing facilities, the purchase of chicks, or the purchase of feed to be used primarily in the production of broilers. The said banks shall take reasonable precautions to avoid making loans which are likely to result in increased broiler production."

With the following committee amendments.

Page 3, line 9, change the word "central" to "Central."

Page 4, lines 5 to 15 inclusive, strike out all of section 3.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING CONSTRUCTION OF NAVAL VESSELS

Mr. ARENDS submitted the following conference report and statement on the bill (H. R. 8571) to authorize the con-

struction of naval vessels, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 2275)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8571) to authorize the construction of naval vessels, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 2 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "To the extent that any ships authorized under this Act are constructed in private shipyards, such contract shall be awarded to the lowest responsible bidder insofar as national security requirements will permit and such award is practical, and is not inconsistent with the provisions of the Armed Services Procurement Act of 1947 or the Act of March 27, 1934 (ch. 95, 48 Stat. 503), as amended."

And the Senate agree to the same.

LESLIE C. ARENDS,

J. P. S. DEVEREUX,

CARL VINSON,

Managers on the Part of the House.

LEVERETT SALTONSTALL,

STYLES BRIDGES,

RICHARD B. RUSSELL,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8571) to authorize the construction of naval vessels, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

LEGISLATION IN CONFERENCE

On May 20, 1954, the House passed H. R. 8571, a bill to authorize the construction of naval vessels, and for other purposes. On June 9, 1954, the Senate considered the House bill and amended it in two respects.

The first amendment would have required that all contracts for the construction of ships in private shipyards pursuant to the act would be awarded to the lowest responsible bidder, so far as national security requirements would permit and such award was practical. This amendment was modified by the addition of a provision that this limitation would obtain only so far as such would not be inconsistent with the provision of the Armed Services Procurement Act of 1947 or the act of March 27, 1934, known as the Vinson-Trammell Parity Act. Thus, the House receded with an amendment.

The second amendment related to the act of August 8, 1950 (64 Stat. 420), wherein it was authorized that appropriations might be made to carry out the purposes of that act, but not in a sum to exceed \$350 million. It later developed that the ship construction authorized by that act could not be carried out within that limitation and in the House version of H. R. 8571 the limitation was raised to \$500 million. The Senate reduced this amount to \$450 million. The House receded.

LESLIE C. ARENDS,

J. P. S. DEVEREUX,

CARL VINSON,

Managers on the Part of the House.

HOOR OF MEETING TOMORROW

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that when the House

adjourns today, it adjourn to meet at 11 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file sundry reports.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ALLOWING SUITS FOR RECOVERY OF TAXES IN DISTRICT COURTS

Mr. KEATING submitted the following conference report and statement on the bill (S. 252) to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury:

CONFERENCE REPORT (H. REPT. No. 2276)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 252) to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments.

KENNETH B. KEATING,

S. J. CRUMPACKER,

E. E. WILLIS,

Managers on the Part of the House.

PAT MCCARRAN,

ARTHUR V. WATKINS,

HERMAN WELKER,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 252) to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate bill would permit a taxpayer to sue the United States in the district court of the district in which the taxpayer resides, to recover internal revenue taxes erroneously or illegally assessed or collected, and to have the right of trial by jury.

The House amendment would have stricken from the bill the provisions authorizing a trial by jury in such actions at the request of either party. This amendment was predicated primarily, if not exclusively, upon the historical ground that it would be a departure from long-standing precedents if a jury trial were permitted in an action against the Government itself.

On the same day it amended and passed S. 252, however, the House approved another bill (H. R. 4401) which would permit actions to recover such taxes against former collectors or against directors or former directors of Internal Revenue to be brought in the district of the taxpayer's residence. Inasmuch as jury trials have always been permitted in such actions, and as the Government of the

United States defends those suits and pays any judgment entered against the defendant therein, the effect of the enactment of H. R. 4401 would be similar to that of S. 252. That is, each bill would permit actions for the recovery of taxes erroneously or illegally assessed or collected to be brought in the district court of the taxpayer's residence, with right of trial by jury.

The House conferees have concluded that to accomplish this desirable result through continued preservation of the fiction that the action is against an individual (i. e., the director or former director or former collector of Internal Revenue)—rather than against the Government itself—is unwarranted. The conferees believe it to be the better practice to grant taxpayers a direct action against the United States, as the Senate bill provides, without compelling taxpayers to forego the right of trial by jury, which they now can obtain in an action against a former collector or director. While it is most unlikely that juries in such cases are fooled into thinking the defendant collector or director himself is required to pay any such judgment out of his own funds, any legal fiction which might result in placing such an unfair burden upon the taxpayer-plaintiff deserves to be stricken from our law. The House conferees have therefore discarded the reasoning that it would be a harmful precedent to permit jury trials in cases of this class. There appears to be no more danger of excessive jury verdicts in cases where the Government itself is sued than in cases where the collecting officer of the Government is sued. In either case recovery is limited to the amount of taxes erroneously or illegally collected. It is therefore the conclusion of the House conferees that the Senate bill, in granting jury trials in actions of this nature by express statutory provisions rather than by use of a legal fiction, is the more desirable method.

Although the conference committee did not have before it the bill H. R. 4401, in view of the approval given by the House through its action on that bill to the principle of a jury trial in actions by taxpayers to recover income taxes illegally or erroneously collected, the managers on the part of the House feel further justified thereby in acceding to the Senate bill which applies this accepted principle of a jury trial to similar actions authorized therein to be brought against the Government itself.

KENNETH B. KEATING,

S. J. CRUMPACKER,

E. E. WILLIS,

Managers on the Part of the House.

OUR PRIMARY NATIONAL INTEREST IS LATIN AMERICA

(Mr. SMITH of Wisconsin asked and was given permission to extend his remarks at this point.)

Mr. SMITH of Wisconsin. Mr. Speaker, the revolution that broke out in Guatemala a few weeks ago served to move Latin America from the travel section to the front page of our newspapers. This conflict has long been brewing; it was not unexpected by those who have been following events south of the border. Even so, we were surprised to awake one June morning to discover that Guatemala, in our hemisphere and just a few hours flying time from the Panama Canal and the United States, had become a grave danger to the Nation's security against aggressive international communism.

Do the Communists really have a plan for war in the Americas? And if so, what are we doing to stop their attempt to disturb the peace and cooperation of this hemisphere?

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued August 13, 1954

For actions of August 12, 1954

83rd-2nd, No. 156

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HIGHLIGHTS: Senate agreed to conference report on mutual security authorization bill. Senate passed bills authorizing GSA motor vehicle pools, etc., Mexican boundary fence, and customs simplification. Senate committee reported bill to authorize Interior loans to privately-owned reclamation projects. Sen. Watkins praised Senate passage of farm program bill. Sen. Humphrey spoke in favor of corn carry over and allowing farmers to elect fellow farmers on ASC committees. House passed bill to give Federal retirement credit for certain State service. Conferees were granted permission to file, by midnight Saturday, farm program conference report..

HOUSE

- FARM PROGRAM.** The conferees were granted permission to file, by midnight Saturday, the conference report on H. R. 9680, the farm program bill (p. 13518).
- PERSONNEL.** Passed without amendment H. R. 1553, to amend the Civil Service Retirement Act so as to provide for inclusion in the computation of accredited service of certain service rendered States in connection with Federal-State extension, experiment station, forest and watershed protection, plant-pest and animal-disease control, and vocational education programs, and the rural-relief program carried out by the State Rural Rehabilitation Corporations (pp. 13505-6).
Passed without amendment H. R. 9586, to amend the Civil Service Retirement Act so as to limit annuities to employees with 1 year of civilian service in the 2-year period immediately preceding separation (p. 13505).
- RECLAMATION.** Discussed and passed over S. 118, to authorize the Washita River Basin project, Okla. (pp. 13505, 13513).
- EDUCATION.** Concurred in Senate amendment to H. R. 1797, to provide for conveyance by the Interior Department of a tract of land to the Okla. A.M. College (p. 13510). This bill will now be sent to the President.
- VIRGIN ISLANDS.** Passed over H. R. 10077, to restore the USDA animal-poultry inspection authority, regarding imports into the Virgin Islands, on a modified

basis (p. 13505).

6. TRANSPORTATION. Discussed and passed over S. 906, to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act (pp. 13502-5).
 7. FARM PRICES. Rep. Brooks, La., urged an investigation into the fact that "prices of agricultural commodities are falling without a compensating fall in the prices of these same commodities to the consumer" (p. 13519).
 8. STATEHOOD...Mrs. Farrington spoke urging statehood for Hawaii (p. 13518).
 9. ADJOURNED until Mon., Aug. 16 (pp. 13518, 13530).
- SENATE
10. FOREIGN AID; SURPLUS COMMODITIES. Agreed to the conference report on H. R. 9678, the mutual security authorization bill (pp. 13621-2). This bill will now be sent to the President.
 11. FARM LOANS. Concurred in the House amendments to S. 3487, to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures (p. 13587).
 12. VEHICLES. Passed as reported H. R. 8753, to authorize GSA to establish and operate motor pools and systems and to provide office furniture and furnishings when agencies are moved to new locations, to direct the GSA to report the unauthorized use of Government motor vehicles, and to authorize CSC to regulate operators of Government motor vehicles (p. 13601).
 13. MEXICAN FENCE. Passed without amendment S. 114, authorizing appropriations for construction, operation, and maintenance of the Mexican western land boundary fence project (pp. 13610-1).
 14. CUSTOMS SIMPLIFICATION. Passed as reported H. R. 10009, to provide for review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, to repeal or amend obsolete provisions of the customs law, etc. (pp. 13612-4).
 15. FARM PROGRAM. Sen. Watkins praised Senate passage of H. R. 9680, the farm program bill, and congratulated Secretary Benson for the "statesmanlike manner" in which he presented to the American public the case for a flexible price-support program (p. 13533).
Sen. Aiken inserted two newspaper editorials commending passage of the farm program bill (pp. 13532-3).
 16. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 5301, to authorize Interior Department loans to privately owned reclamation projects (S. Rept. 2472) (p. 13531).
The Interior and Insular Affairs Committee reported with amendments H. R. 9981, to provide for construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies (S. Rept. 2476) (p. 13531).

becca, Raymundo, and Marciano, and Mrs. Brígida de Gutierrez; and

H. R. 8915. An act to amend the act entitled "An act to consolidate the Police Court of the District of Columbia and the Municipal Court of the District of Columbia, to be known as 'The Municipal Court of Appeals for the District of Columbia,' and for other purposes."

The message further announced that the House had passed a bill (H. R. 9866) to prescribe certain limitations with respect to outpatient dental care for veterans, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the concurrent resolution (H. Con. Res. 267) authorizing the printing of additional copies of the hearings held by the Joint Committee on Atomic Energy relative to the contribution of atomic energy to medicine.

HOUSE BILL REFERRED

The bill (H. R. 9866) to prescribe certain limitations with respect to outpatient dental care for veterans was read twice by its title, and referred to the Committee on Labor and Public Welfare.

SOCIAL SECURITY AMENDMENTS OF 1954

Mr. KNOWLAND. Mr. President, merely in order to make the social-security bill the unfinished business, I now move that the Senate proceed to the consideration of Calendar No. 2004, House bill 9366, amending the Social Security Act and the Internal Revenue Code, and for other purposes. Notice has previously been given of the proposed consideration of the bill, and I have consulted about it with the minority leader. We shall not ask to have the Senate proceed further with the bill today, after it has been made the unfinished business.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 9366) to amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the old-age and survivors insurance program, increase the benefits payable thereunder, preserve the insurance rights of disabled individuals, and increase the amount of earnings permitted without loss of benefits, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments.

ORDER FOR CALL OF THE CALENDAR, FOR CONSIDERATION OF BILLS PLACED AT FOOT OF THE CALENDAR

Mr. FERGUSON obtained the floor.

Mr. KNOWLAND. Mr. President, before the Senator from Michigan proceeds with his remarks, will he yield to

me, to permit me to make a brief announcement?

Mr. FERGUSON. Yes, Mr. President; provided I may obtain unanimous consent to do so without losing the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, let me state that, following the completion of the remarks of the Senator from Michigan, it is my plan to ask unanimous consent that the Senate proceed to the consideration of measures which, during the call of the calendar yesterday, were ordered placed at the foot of the calendar.

I wish all Senators to be advised of the proposed procedure. Therefore, I desire to say that I shall ask unanimous consent to have the Senate proceed to consider those measures as soon as the Senator from Michigan completes his remarks and as soon as I can obtain recognition.

Mr. HENDRICKSON. Mr. President, will the Senator from Michigan yield to me, to permit me to make a unanimous-consent request?

Mr. FERGUSON. I yield, provided I may obtain unanimous consent to do so without losing the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HENDRICKSON. Mr. President, in a few minutes we shall proceed to consider the bills and other measures which, during the call of the calendar on yesterday, were ordered placed at the foot of the calendar. If we were to call those measures in the usual way, they would be called more or less at random. I have discussed, earlier today, with the able Parliamentarian of the Senate and the able and hard-working clerks, the problem which arises in that connection. They state that if the bills and other measures ordered to the foot of the calendar are called seriatim, instead of having to go from page to page of the calendar, back and forth, it will be much more convenient for both them and for the Senate itself. I know it will be much more convenient for Senators who follow the calendar.

I have discussed this matter with the minority calendar committee, and they feel as does the Parliamentarian.

Therefore, Mr. President, I ask unanimous consent that when, a little later today, the bills which, on yesterday, were ordered placed at the foot of the calendar, are called, they be called seriatim.

The PRESIDING OFFICER. Is there objection?

Mr. KNOWLAND. In other words, Mr. President, as I understand the request, no measures will be added to those already placed at the foot of the calendar; but the measures which previously have been ordered to the foot of the calendar will be called up in their calendar order, seriatim, on the basis of the regular procedure during the ordinary call of the calendar.

Mr. HENDRICKSON. That is correct. The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey?

Mr. SMATHERS. Mr. President, I apologize for not having heard the request of the Senator from New Jersey. Will he please repeat it briefly?

Mr. HENDRICKSON. I stated that I had discussed with the clerks at the desk and the Parliamentarian the question of calling up in numerical order, seriatim, the bills which, on yesterday, were ordered placed at the foot of the calendar. I said I had talked with the Senator from Florida, as a member of the minority calendar committee, about that matter, and that he had agreed that it would be more convenient, both for him and for the entire Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey? Without objection, it is so ordered.

ISSUANCE OF CONSOLIDATED DEBENTURES BY CENTRAL BANK FOR COOPERATIVES AND REGIONAL BANKS FOR COOPERATIVES

Mr. AIKEN. Mr. President, will the Senator from Michigan yield to me at this time?

Mr. FERGUSON. Yes, Mr. President; provided I may obtain unanimous consent to do so without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AIKEN. Mr. President, there is at the desk a message from the House regarding amendments of the House of Representatives to Senate bill 3487. I ask to have those amendments laid before the Senate at this time. They have been discussed with both the majority leader and the minority leader.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3487) to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes, which were on page 3, line 9, strike out "central" and insert "Central"; and on page 4, strike out lines 5 through 15, inclusive.

Mr. AIKEN. Mr. President, this bill authorizes the 12 regional banks for cooperatives and the Central Bank for Cooperatives to issue joint debentures. The bill as it was passed unanimously by the Senate contained a provision prohibiting the making of loans which could be used to expand the poultry industry. The House has adopted amendments striking out that provision.

I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

RECLASSIFICATION OF DICTAPHONES IN TARIFF ACT OF 1930—REQUEST TO HAVE BILL RETURNED BY THE HOUSE OF REPRESENTATIVES

Mr. HUMPHREY. Mr. President, will the Senator from Michigan yield to me at this time?

Mr. FERGUSON. I yield, Mr. President, provided I may do so without losing the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, on yesterday, I was temporarily absent from the floor at the time when House bill 8932, Calendar 2001, was passed by the Senate.

The PRESIDING OFFICER. The Chair is advised that the bill has already gone to the House of Representatives.

Mr. HUMPHREY. Mr. President, I desire to submit a motion for reconsideration.

The PRESIDING OFFICER. The Chair is informed that the regular order would be to request that the House return the bill to the Senate.

Mr. HUMPHREY. Mr. President, I now move that the House of Representatives be requested to return the bill to the Senate.

Mr. President, let me state, by way of explanation, that the Representative from the Sixth Congressional District of the State of Minnesota had previously asked me to object to the bill when it was reached during the call of the calendar. However, I was unable to be present when that bill was considered.

I have discussed this matter with the majority leader. I think we may be able to work out the difficulties without delay.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota that the House be requested to return to the Senate, House bill 8932, to reclassify dictaphones in the Tariff Act of 1930, as passed on yesterday by the Senate.

The motion was agreed to.

The PRESIDING OFFICER. The Senator from Michigan has the floor.

Mr. FERGUSON. I yield, without losing the floor, to the Senator from Ohio.

LABELING OF PACKAGES CONTAINING FOREIGN-PRODUCED TROUT

Mr. BRICKER. Mr. President, there are on the desk amendments of the House to Senate bill 2033. I ask that the amendments be laid before the Senate.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2033) relating to the labeling of packages containing foreign-produced trout sold in the United States, and requiring certain information to appear on the menus of public eating places serving such trout, which were, on page 1, line 6, strike out "(n)" and insert "(o)"; on page 1, lines 8 and 9, strike out "of this title"; on page 2, lines 10 and 11, after "(2)" strike out "each part of the contents of the package is contained in a wrapper" and insert "if the package is broken while held for sale, each unit for sale (consisting of one or more trout) is in a package; and"; on page 2, strike out line 17 over to and including line 2, page 3, and insert:

"(b) No person shall possess in a form ready for serving or shall serve at a public eating place trout produced outside the United States, its Territories, or possessions, unless a notice is displayed prominently and

conspicuously in such eating place stating that '_____ trout is served in this restaurant', the blank space to be filled with the name of the country in which such trout was produced."

On page 3, after line 13, insert:

SEC. 4. This act shall take effect 6 months after the date of its enactment.

And to amend the title so as to read: "An act relating to the labeling of packages containing foreign-produced trout sold in the United States, and requiring certain information to appear in public eating places serving such trout."

Mr. BRICKER. I move that the Senate concur in the House amendments.

Mr. JOHNSON of Texas. I am not familiar with this matter, Mr. President. I wonder if the Senator will give me an opportunity to confer with Members on this side.

Mr. BRICKER. The principal amendment of the House requires that when foreign-produced trout is served in a restaurant, a notice must be posted, not merely that notice be stated on the menu.

Mr. JOHNSON of Texas. If the Senator will give me a chance to clear this with the appropriate Members on this side, I shall do so.

Mr. BRICKER. I cleared it with the author of the bill, and he is satisfied with the bill as amended.

Mr. JOHNSON of Texas. Who is the author of the bill?

Mr. BRICKER. The Senator from Idaho [Mr. DWORSHAK].

The PRESIDING OFFICER. Does the Senator withdraw his request?

Mr. JOHNSON of Texas. I wish to protect myself, and there are members of the committee with whom I have not had a chance to confer.

Mr. BRICKER. That is satisfactory to the committee. The Senate passed the bill with the requirement that there be notice on the menu that foreign-produced trout was served. The House amendment includes the requirement that the notice be posted in the restaurant. That is all there is to it.

Mr. JOHNSON of Texas. Will the Senator withhold it?

Mr. BRICKER. I shall be happy to.

The PRESIDING OFFICER. Does the Chair understand the Senator withdraws his request?

Mr. BRICKER. I withdraw the request, and I shall take it up at a later time.

Mr. JOHNSON of Texas. We shall clear it as quickly as possible.

TENTH ANNIVERSARY OF THE GI BILL OF RIGHTS

Mr. FERGUSON. I ask unanimous consent that the Senator from Illinois [Mr. DOUGLAS] may be permitted to make an insertion in the RECORD, without the Senator from Michigan losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD an address concerning the 10th anniversary of the GI bill of rights, delivered by Mr. Edgar C. Corry, Jr., of

Chicago, Ill., on August 2 over the Columbia Broadcasting System.

Mr. Corry is well-fitted to assess the results of the GI bill of rights, for as a veterans' leader and a successful businessman, he has carefully observed the workings of this legislation. He is past national commander of AMVETS—American Veterans of World War II and Korea—the president of the AMVETS National Service Foundation and vice president of the Mathers Stock Car Co.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TEXT OF REMARKS BY EDGAR C. CORRY, JR., PAST NATIONAL COMMANDER OF AMVETS, AND PRESIDENT OF THE AMVETS NATIONAL SERVICE FOUNDATION, ON THE 10TH ANNIVERSARY OF THE GI BILL, DELIVERED OVER CBS, CHICAGO, AUGUST 2, 1954

Ten years ago—while the guns of World War II were still firing in Europe and Asia, in the Atlantic and the Pacific, and the outcome of that global struggle was in doubt, the United States Congress drafted a bill unparalleled in history. In the course of one decade, it affected the lives of more than 10 million men and women, and stimulated the economic welfare of America.

On June 22, 1944, President Roosevelt signed into law the GI bill of rights (more formally known as Public Law 346). At that time he said, "This law gives emphatic notice to the men and women of our Armed Forces that the American people do not intend to let them down."

A new concept was thus introduced into American thinking—help the veteran help himself. For as far as possible, the cost of war and of victory was to be shared by all Americans—not just those who served or died in uniform. It substituted the "helping hand" for the "handout."

It is appropriate now—10 years later—to measure the results and the cost of the GI bill of rights.

Under the GI bill, the door of opportunity was reopened to millions in whose faces it had banged shut with frightening decisiveness after Pearl Harbor. During the troublesome years since 1944, millions of veterans have passed through this door; some to acquire new homes or farms, or to enter new businesses made possible by the guaranteed loan provisions; some to receive educational and on-the-job-training benefits; and some merely to receive readjustment allowances while seeking a job.

It was very hard for most veterans to readjust themselves to the challenging circumstances confronting them when they returned from the war. But thanks to the GI bill, the transition period was measurably shortened, the absorption of 18 million additional civilians into a peacetime society was accomplished with a minimum of difficulty, and a threatened depression turned into prosperity.

How different from the aftermath of former wars. If you came back then in one piece you were on your own—go pick up the shreds of life by yourself—if you had a family to support in the meantime, well, it was just your tough luck. If you hadn't been able to learn a peacetime trade, or hadn't finished your schooling, or had little actual job experience, well—you were a tough-luck Charlie. Vast numbers of odd-job drifters and unemployed were taken for granted as a necessary price of war.

This time America faced facts. Almost a whole generation of our youth had been put into uniform. You can't turn loose 18 million young men from whom you have taken the 4 most crucial years of their life—you can't just turn them loose without wrecking a large percentage of them, and thereby inviting national economic disaster.

Public Law 630 - 83d Congress

Chapter 834 - 2d Session

S. 3487

AN ACT

To authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 37 of the Farm Credit Act of 1933, as amended (title 12, U. S. C., 1134m), is hereby amended by substituting the word "paragraph" for the word "section" in the next to the last sentence thereof and by adding thereto the following new paragraph:

"When the Central Bank for Cooperatives and the regional banks for cooperatives shall by resolutions consent thereto, consolidated debentures of the thirteen banks for cooperatives may be issued in the manner and form and on terms and conditions approved by the Farm Credit Administration. There shall be a debenture committee comprised of the presidents of the twelve regional banks for cooperatives and the chief executive officer of the Central Bank for Cooperatives which shall exercise with respect to such consolidated debentures powers and functions equivalent to the powers and functions of the Bond Committee of the Federal Land Banks as authorized by the Federal Farm Loan Act, as amended, and shall operate in accordance with the provisions of law applicable to such Bond Committee (title 12, U. S. C., 883-886). Such debentures shall be made payable at any of the banks for cooperatives and may be made payable at any Federal Reserve bank or banks designated on the face of the debentures. Such debentures shall be the joint and several obligations of the Central Bank for Cooperatives and of the regional banks for cooperatives, and each of such banks is hereby authorized and directed to take such action as is necessary to become obligated for such debentures. The debentures shall be secured by collateral which shall be at least equal in value to the amount of debentures outstanding and which shall consist of cash, direct obligations of the United States, or notes or other obligations discounted or purchased or representing loans made under sections 34 and 41, as amended (title 12, U. S. C., 1134j, 1134c). The Farm Credit Administration shall appoint a custodian or custodians of such collateral who shall have power subject to such rules and regulations as the Administration may prescribe to approve and accept substitutions of collateral. The total amount of such consolidated debentures plus any outstanding individual debentures of the Central Bank which may be issued and outstanding at any time shall not exceed eight times the capital and surplus of the Central and regional banks for cooperatives. The provisions of law made applicable by the preceding paragraph to the preparation and issue of debentures by the Central Bank for Cooperatives shall govern the preparation and issue of debentures under this paragraph and they shall be signed by the Governor of the Farm Credit Administration and attested by any deputy governor. Insofar as applicable, the provisions of the Federal Farm Loan Act, as amended, relative to the call for additional security and failure of any bank to pay its proportion of interest or principal shall apply to the consolidated debentures of the banks for cooperatives. Debentures issued under the provisions of this Act by banks for cooperatives shall be a lawful investment for all fiduciary and trust funds, and may be accepted as security for all public deposits."

Banks for co-
operation.
48 Stat. 263.

Consolidated
debentures.

Committee.

68 Stat. 770.

68 Stat. 771.

39 Stat. 360;

42 Stat. 1454..

12 USC 641.

50 Stat. 717;

63 Stat. 1059,

1058.

All 68 Stat. 771.

SEC. 2. The last sentence of paragraph Seven of section 5136 of the Revised Statutes, as amended (title 12, U. S. C., 24), is hereby amended by striking the words "Central Bank for Cooperatives" and inserting in lieu thereof the following: "thirteen banks for cooperatives organized under the Farm Credit Act of 1933, or any of them".

Approved August 23, 1954.

